

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF RICHARD) APPEAL NO. 07-A-2028
AND NANCY SYMMS from the decision of the Board) FINAL DECISION
of Equalization of Blaine County for tax year 2007.) AND ORDER

CONDOMINIUM PROPERTY APPEAL

THIS MATTER came on for hearing October 17, 2007, in Hailey, Idaho before Board Member David E. Kinghorn. Board Members Lyle R. Cobbs and Linda S. Pike participated in this decision. Attorney G. Dar Symms and Appellant Richard Symms appeared at hearing. Assessor Valdi Pace and Appraiser Sydney Wysong appeared for Respondent Blaine County. This appeal is taken from a decision of the Blaine County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RPS0705004057A .

The issue on appeal is the market value of a condominium property.

The decision of the Blaine County Board of Equalization is affirmed.

FINDINGS OF FACT

The total assessed value is \$433,750. Appellant requests the total value be reduced to \$360,000.

The subject property is a 900 square foot condominium located in Sun Valley, Idaho. The complex is made up of 72 units with 450 square feet and 28 units with 900 square feet. Subject is ground floor unit, with limited views. It was noted subject had not been remodeled since its construction.

Appellant first referenced a 2005 decision from this Board concerning subject and requested notice be taken of the evidence submitted in that prior appeal.

Appellant noted his extensive background and experience in owning and selling properties both inside and outside the state. This experience served the basis for Appellant's position that view is a major value component of a particular property. Appellant contended a \$50,000

downward adjustment should be made to subject's value on account of its limited view. Respondent agreed location is a considerable value component, however, contended subject's location was comparable to the sale properties which also had restricted views.

Appellant also referenced an article from a real estate magazine published on December 1, 2005. The article discussed the cost of remodeling residences and the expected return on that investment when the property is later sold. The article stated remodeled bathrooms, kitchens, and the addition of a deck, add approximately \$40,000 in value to a residence. Respondent noted the article was based on national information, not data specific to Sun Valley or Idaho.

Appellant then challenged Respondent's sales primarily on the basis of subject's diminished view and the fact subject had not been remodeled. The sale properties were argued to have superior views and were noted to have been remodeled. Based on these factors, Appellant estimated subject should be valued approximately \$90,000 less than assessed. It was noted the value claim was only \$72,000 less than subject's assessment, not the full \$90,000.

Respondent explained subject's condominium complex was located near the "Sun Valley core", within walking distance to the village and other amenities in the area. Also mentioned was that subject was located in a building with only three other units, which meant subject enjoyed more privacy than units located in buildings with more units.

Respondent submitted six (6) sales in subject's complex of the 450 square foot units. The sales occurred during 2005 and 2006 for prices between \$269,000 and \$315,000. Except for one, all the units were noted to have been remodeled at some point. The average 2006 sales price for these smaller units was \$305,000. Respondent further pointed out there was little difference in the average sale price between upper-level and ground floor units.

Also presented were two sales of the 900 square foot units in subject's complex. The

2005 sale was a second floor unit that sold for \$435,000. The 2006 second floor unit sold for \$460,000, and was the most proximate to subject. In fact, the unit was located directly across the parking lot, and had a view of subject. This sale was relied on most heavily by Respondent. The unit was located in a building with thirteen others. It was noted the unit had a deck, however, Respondent argued the large tree in front obstructed views of the surrounding mountains.

Appellant cited the Board of Tax Appeals' 2005 decision, in which the same property was discussed, and noted the deck was considered to have a superior view compared to subject. There was also a disagreement on whether the unit had been remodeled or not. Appellant indicated it was remodeled in 1995. Respondent's records did not show the unit had been remodeled. Respondent noted this property sold in 2004 for \$360,000 and resold in 2006 for \$435,000. If a time adjustment were applied using the resale data, Respondent calculated subject's value would be \$443,750.

In summary, Respondent argued the sales data of units located in subject's condominium complex did not indicate much variance due to; location within the complex, whether the units were remodeled, or whether the unit was on the second level or the ground floor. Furthermore, subject was noted to have the lowest value of any 900 square foot unit in the complex.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho law requires property be assessed at market value for the purposes of taxation.

Idaho Code § 63-201(10) defines market value as:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant referenced a 2005 decision issued by this Board, in which subject was found to be over-valued, and asked the evidence submitted in that appeal be considered here. A decision issued in 2005 would necessarily be based on market data from 2004. The market has changed since 2004, so consideration of materials submitted in that prior decision would lend little support for Appellant’s value claim here.

Appellant then referenced an article from a real estate magazine that estimated a property’s value increases by approximately \$40,000 for remodel work done to a residence’s kitchen, bathroom, and the addition of a deck. As correctly noted by Respondent, the data was a reflection of national averages and not specific to the Sun Valley area, or even Idaho. Furthermore, the article was published on December 1, 2005, which is somewhat dated to be relied upon here.

Respondent presented six (6) sales of the 450 square foot units from subject’s complex. The average 2006 sales price was \$305,000. Also submitted were two sales of the 900 square foot units; same as subject. The 2005 unit sold for \$435,000 and the 2006 unit sold for \$460,000. The 2006 sale was relied upon most heavily by Respondent. It was a second floor unit noted to be proximate to subject. In fact, it had a view of subject. Also mentioned, was the unit shared a building with thirteen (13) other condominiums, whereas subject’s building had only three other units; meaning subject enjoyed a level of privacy superior to the sale unit. Respondent pointed out the unit sold in 2004 for \$360,000 and resold in 2006 for \$460,000. If

the time adjustment was employed, subject's value would be \$443,397.

Appellant challenged the sales primarily on the basis of location (view) and condition (remodeling work) of properties. Appellant argued subject was inferior in location to any of the sales referenced by Respondent. Also noted was most of the properties had been remodeled, whereas subject had not. Regarding the 2006 sale relied upon heavily by Respondent, Appellant pointed out it had a deck which arguably afforded a superior view. There was some discrepancy on whether or not the unit had been remodeled. Even if we were to accept Appellant's contention the unit was upgraded, the remodel would have been done in 1995; thirteen years ago. Further, no details on exactly what was upgraded were provided, so we cannot simply assume \$40,000 worth of value was added to the unit.

While both parties agree location and view are significant value determinants, Appellant failed to prove subject's value should be reduced \$50,000 because of those factors. As noted by Respondent, subject enjoys a somewhat private location, in a building with only three other units.

Appellant has the burden of proving subject's assessment is erroneous. Idaho Code § 63-511(4) provides in pertinent part:

In any appeal taken to the board of tax appeals or the district court pursuant to this section, the burden of proof shall fall upon the party seeking affirmative relief to establish that the valuation from which the appeal is taken is erroneous, or that the board of equalization erred in its decision regarding a claim that certain property is exempt from taxation, the value thereof, or any other relief sought before the board of equalization. A preponderance of evidence shall suffice to sustain the burden of proof. . . .

Appellant has provided no substantive evidence that subject's value is erroneous. Appellant stated subject was over-valued by \$90,000 based on estimates of value contributed by view and remodeling work. While we agree those factors can certainly affect value, no market

data was provided to substantiate Appellant's claim, other than an article published in 2005. Respondent, on the other hand, presented numerous sales of condominiums located in subject's complex. Some were noted to have been remodeled, however, no details concerning the work done was provided. As subject's value is below both the 2005 and 2006 sale prices of the 900 square foot units, it appears consideration was given to the detriments described by Appellant.

Considering all the evidence in this matter, Appellant has not shown this Board by a preponderance of the evidence that subject's assessed value is erroneous. Accordingly, the decision of the Blaine County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Blaine County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED APRIL 30, 2008